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Message Text

UNCLASSIFIED

PAGE 01 JIDDA 04409 181204Z

53
ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 COME-00 AID-05 /023 W
---------- 081351
R 181112Z JUN 75
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 1614

UNCLAS JIDDA 4409

FOLLOWING MESSAGE SENT ACTION JIDDA FROM DHAHRAN ON 17 JUNE
BEING REPEATED FOR YOUR ACTION. QUOTE:

DHAHRAN 0807

E.O.: 11652: N/A
TAGS: BEXP, EMAE, SA
SUBJ: UNAVAILABILITY U.S. HEAVY CONSTRUCTION EQUIPMENT

1. AMERICAN ENGINEER/MANAGER OF LARGE LOCAL CONSTRUCTION FIRM HAS DISCUSSED WITH ME PROBLEM OF GETTING AMERICAN HEAVY CONSTRUCTION AND ROAD-BUILDING EQUIPMENT AND RELATED ITEMS. HE (LIKE MANY LOCAL FIRMS) PREFERS U.S. EQUIP-MENT BECAUSE OF TIME PRESSURES.

2. HIS ANALYSIS OF PROBLEM IS THAT LOCAL AGENCIES UNABLE ANTICIPATE DEMAND GROWTH AND/OR WILLING TIE UP CASE IN INVENTORY. PROBLEM OF SPARE PARTS EVEN MORE SERIOUS, BUT LOCAL DEALERS KEEP MINIMUM INVENTORY. THUS EXPENSIVE HEAVY EQUIPMENT IS TIED UP FOR MONTHS UNTIL SPARE PART ARRIVES. (CATERPILLAR ONE OF WORST OFFENDER.) FALLACY IN AGENTS' THINKING, OF COURSE, IF FAILURE TO RECOGNIZE THAT GROWING DEMAND WILL IN ANY CASE DRAW DOWN INVENTORIES QUICKLY.

3. THIS FIRM RECENTLY BOUGHT $5 MILLION WORTH CONSTRUCTION AND ROAD-BUILDING EQUIPMENT. ALL COULD HAVE GONE TO U.S. SUPPLIERS. ONLY 100 THOUSAND DID.

4. I REALIZE LITTLE, IF ANY, OF ABOVE IS NEWS TO EMBASSY. BUT I WONDER IF CAGNE SHOULD NOT CONSIDER SETTING UP A
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SPECIAL TASK FORCE TO LOOK INTO THE PROBLEM OF SUPPLYING

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THIS TYPE OF EQUIPMENT EXPEDITIOUSLY. WITH THE U.S. STILL
IN A RECESSION, THIS GROWING MULTI-MILLION DOLLAR MARKET
SHOULD NOT BE GIVEN BY DEFAULT TO EUROPEAN AND JAPANESE
SUPPLIERS.
BAHTI
UNQUOTE.
HORAN

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION EQUIPMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750212-0346
From: JIDDA
Handling Restrictions: n/a
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Legacy Key: link1975/newtext/t19750639/aaaabjir.tel
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Original Classification: UNCLASSIFIED
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Subject: UNAVAILABILITY U.S. HEAVY CONSTRUCTION EQUIPMENT
TAGS: BEXP, EMAE, SA
To: STATE
Type: TE
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